ProForma Healthcare Solutions

The Rural Health Care Pilot Program

Comment Letter on Funding RHCPP Participants in Transition
Docket Number: 02-60

Submitted to

The Wireline Competition Bureau
U.S. Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

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12 April 2012

To: Ms. Sharon Gillett
Chief
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Dear Ms. Gillett,

Subject: REQUEST FOR COMMENT ON THE TRANSITIONING OF PARTICIPANTS IN THE RURAL HEALTH CARE PILOT PROGRAM

Less than 1% of the FCC's annual Universal Service Fund is currently going to provide connectivity to rural healthcare. We believe that there is a fundamental disconnect between the immediate needs of rural healthcare providers under the Patient Protection and Affordable Care Act (PPACA) of 2010 and the FCC's goals for build-out of the national broadband network. In September 2006, the Federal Communications Commission established a three-year pilot to examine ways to use the universal service rural health care funding mechanism to enhance public and non-profit health care providers' access to advanced broadband telecommunications[i]. What we have learned over the past six years is that few rural hospitals have the resources or capabilities to successfully manage large, complex infrastructure projects such as (1) the construction of multi-state or regional broadband networks; or, (2) connecting to nationwide backbone Internet2 or National LambdaRail (NLR) network[ii] as the Rural Health Care Pilot Programs (RHCPPs) require.

In fact, the few successful large intra-state infrastructure projects within the RHCPP, were managed by very large healthcare systems or universities that reside outside of the designated rural communities the project would serve. Several "qualified" rural participants have been unable to manage past the initial RFP stages of their projects or they have been unable to attract the necessary 15% matching funds.

In October of 2010, the GAO published a review of the FCC's Rural Health Care Pilot Programs citing numerous shortcomings and inefficiencies but without any clear recommendations on how to improve its facilitation. And, as the number of physicians-per-patient ratios in many of the Nation's poorest Congressional Districts continues to fall perilously below Developing World levels, trending to 1:4,000 (MS declining at over 10% per year, GA declining at over 9% per year, Cuba = 1:1,200)[iii]. The need to improve physician productivity and remote access is becoming more pressing. Advanced telecommunications infrastructure is an essential component of any solution to maintain healthcare access and standards in America's rural communities – the need for broadband speeds in excess of 1Gbps to support physician productivity, telemedicine, advanced visualization techniques for remote diagnostic and augmented reality tools for non-physician assisted treatment is growing.

In March 2011, the Center for Medicaid and Medicare Services (CMS), under the auspices of the PPACA, issued a proposal to define Accountable Care Organizations (ACOs). In April 2011, ProForma issued its Comment Letter to CMS addressing many of the problems that rural healthcare providers will have trying

to form these ACO's. The most significant oversight is CMS' assumption of ***ubiquitous broadband coverage in every provider's*** service area. As pointed out in our *ProForma Provocative Perspective on Connectivity*[iv] (April 2011), lack of connectivity is becoming a leading cause for the prevention of ACO formation and EMR implementation in rural America. To further complicate the issue, the FTC has just announced that it will file an appeal with the Supreme Court to oppose Albany-Dougherty Hospital Authority's acquisition of the Palmyra Medical Center here in Georgia based on anti-trust concerns. This is a situation that we are very familiar with. This action by the FTC against the State Action Doctrine is creating enormous legal costs that will likely deter other Sole Community Providers from pursuing ACO formation as we predicted in our CMS Comment Letter.

As a potential solution to meet the needs of the FCC, CMS, the FTC, the DoJ, rural healthcare providers and the communities they serve and ***to transition*** existing intra-state RHCPP Participants into integrated inter-state regional systems, ProForma has created a new type of pre-ACO organization, "The Rural Trust", which will leverage FCC financial support to provide multiple rural healthcare providers with the high-speed connectivity, technology roadmap, tools and strategic partners to provide leading-edge integrated services and solutions enabled by robust, fiber-based broadband. To design and implement this complex solution, *ProForma has brought together a unique set of consultants and strategic partners.*

The Rural Trust will have the business, technical, and operational expertise to build and manage a 100Gbps fiber backhaul, connected to the national broadband network, focused on serving and reinvigorating rural community healthcare. These strengths will attract the private investment required to meet the FCC matching fund requirements and provide the foundation to serve America's most chronically ill residing in our poorest rural counties.

We wanted to provide more than just a comment letter in response to your request. The roadmap we present provides a clear direction and steps on how to build the first Rural Trust and how to use this prototype to repeat the success demonstrated in over 16 other locations where a span between two or more metropolitan areas lacked NLR backhaul and crossed among the poorest Congressional Districts in Rural America.

We remain yours sincerely,

Authorized Signature:

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cc: Tony Trenkle, Director & CMS Chief Information Officer

Hilda L. Solis, U.S. Secretary of Labor

Dr. Richard Gilfillan, Director Center for Medicare &Medicaid Innovation

Table of Contents

1. Project Abstract and Profile……6
2. Application Narrative……7
3. Project Goals and Objectives……13
4. Entity Design……17
5. Healthcare Provider Recruiting and Enrollment……17
6. Education and Outreach……18
7. Community Integration……19
8. Organizational Capacity……22
   A. Profile of ProForma Healthcare Solutions……22
   B. Profile of Windstream Corp……22
   C. Profile of Georgia Telehealth Partnership……23
   D. Profile of Silk ISI……23
   E. Profile of Integral Information Systems……23
9. Organizational Structure and Staffing……24
10. Workforce Analysis……24
11. Evaluation and Reporting……25
12. Funding and Sustainability……25
13. Budget Narrative……25

Management CVs

14. Team Composition……25
   A. Mr. John Ellingson……26
   B. Mr. Joseph Quattlebaum……28
   C. Mr. Reginald Maisonneuve……29

Work Plan

13. Work Plans……32
   A. Summary of Deliverables……34
   B. Staffing Schedule……36

1. Project Abstract and Profile

In November 2007, the Federal Communication Commission awarded $9.6 million to the Big Bend Health and AHCA to successfully build-out a health care network in the Florida Panhandle, consisting of a gigabit fiber optical network connecting nine rural hospitals and a broadband wireless network connecting not-for-profit clinics in the rural counties of the Panhandle.

We are proposing an extension of that project to provide a 100Gbps National LambdaRail backhaul network between Tallahassee, FL and Birmingham, AL that will connect over 20 rural hospitals in the Nation's poorest Congressional Districts.

Specific objectives of the proposed project address connectivity, health care services and sustainability. The overall plan proposes to:

1) Build a dedicated optical fiber broadband network to connect National Lambda Rail facilities in Tallahassee, FL to Birmingham, AL (which is presently not directly connected to the NLR or Internet2 networks) and provide POPs in 21 rural counties for sole community hospitals, clinics, physicians groups and stand-alone providers;
2) Build a broadband network to connect healthcare providers and first responders in these counties with an encrypted wireless system that provides high speed broadband communications (1Gbps upstream);
3) Provide healthcare providers, in the service area, the opportunity to join the Rural Integrated Healthcare Trust ("The Trust") for cloud-based ICT services through the Converging Technology Center in Moultrie, GA (data backup, storage, processing, a CCHIT 11 and ONC Certified Ambulatory EHR and practice management software, EMR, revenue cycle optimization for ACO compliance reporting);
4) Innovate with Independent Software Vendors within the Converging Technology Center's Eco-System to build new cloud computing and mobile healthcare applications,
5) Create high speed connectivity to university researchers in Florida, Georgia and Alabama to provide grant opportunities for Rural Poverty and Health Equity studies; and,
6) Develop an attractive funding model for the Private-Public Partnership's for-profit services to eligible enterprises in rural counties and underserved areas.

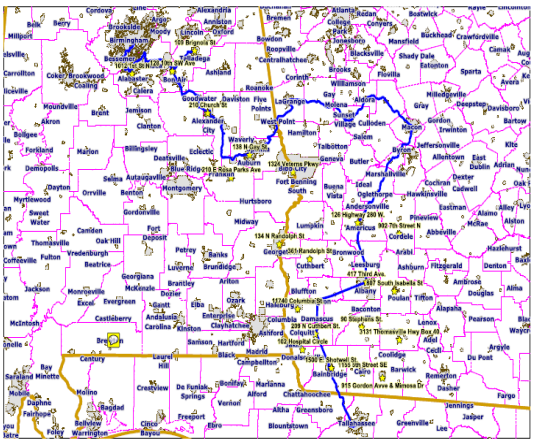
Under the Rural Health Care Pilot Project, the FCC provides 85% of the funding required for the costs of constructing the health care network in SW Georgia and SE Alabama. The remaining 15% of construction costs will come from matching investments from private equity firms and participating carriers. The project is planned to distribute funds until June 2014, but funds can be used for the project until June 2016.

Our proposal describes a clear application of telecommunications and information technology to create a viable and financially sustainable medical services capability. The Rural Trust will be proactive in advancing this as core part of its mission. The distribution of funds over the four years is shown in Table 1, with $21.7 million available in 2012-2014 for construction of the network, $2.5 million for telemedicine and $10.6 million available for supporting healthcare data facilities and software.

Table 1. Total Funds Committed to the RIHT for the RHCPP **Construction Item**	**85% FCC Funding**	**15% Matching Funds**	**Total Construction Funds**
Broadband Connectivity	$18,473,900	$3,260,100	$21,734,000[v]
Converging Technology Center	$ 5,522,790	$ 974,610	$ 6,497,400[vi]
Software & Integration	$ 3,485,000	$ 615,000	$ 4,100,000[vii]
Telemedicine Support	$ 2,092,615	$ 369,285	$ 2,461,900
Project Administration	$ 2,914,932	$ 514,398	$ 3,429,330
Total	$32,489,237	$5,733,393	$38,222,630

2. Application Narrative

In November 2007, the Federal Communication Commission awarded $9.6 million to the Big Bend Health and AHCA to build health care network in the Florida Panhandle, consisting of a gigabit fiber optical network connecting nine rural hospitals and a broadband wireless network connecting not-for-profit clinics in the rural counties of the Panhandle. As an inter-state extension of that project, we are proposing a Tallahassee, FL to Birmingham, AL 100Gbps fiber backhaul project that will connect Georgia and Alabama to the Florida LambdaRail and provide connectivity for rural healthcare providers in the service area.



As with the Panhandle Project, the specific objectives of the proposed project address connectivity, health care services and sustainability. The overall plan proposes to:

1) Build a dedicated optical fiber broadband network to connect health care facilities between Tallahassee, FL and Birmingham, AL;
2) Build a broadband wireless network to connect healthcare providers in these counties with an encrypted wireless system that provides high speed broadband communications.
3) Provide hospitals and clinics the opportunity of joining The Rural Trust CTC and health information exchange.
4) Create high-speed connectivity to specialists nationally via a connection to the Florida LambdaRail.
5) Develop a funding formula for ICT services to eligible providers in rural counties and underserved areas.

The FCC Rural Health Care Pilot Project provides 85% of the funding required for the costs of constructing the health care network in Southwest Georgia and Southeast Alabama. The remaining 15% of construction costs must come from matching contributions. The project will distribute funds until June 2012, but funds can be used for the project until June 2016. The distribution of funds over the four years is based on the concurrent construction of the network and the CTC.

In 2012, The Rural Trust will construct gigabit fiber facilities from Florida LambdaRail interface points, to a constructed Point of Presence (POP) in twenty-two counties, and then run broadband last mile connections to nineteen rural hospitals in the project. The nineteen hospitals and clinics in year one construction plan include:

Table 2. Hospital List

Facility Name	Include in RIHT?	Address	City	State	Zip Code	County	Facility Type
COLQUITT REGIONAL MEDICAL CENTER	YES	3131 Thomasville Hwy Box 40	Moultrie	GA	31768	Colquitt	Acute Care Hospital
CRISP REGIONAL HOSPITAL	YES	902 7th Street North	Cordele	GA	31015	Crisp	Acute Care Hospital
DONALSONVILLE HOSPITAL INC	YES	102 Hospital Cir	Donalsonville	GA	39845	Seminole	Acute Care Hospital
GRADY GENERAL HOSPITAL	YES	1155 5th Street, Se	Cairo	GA	39828	Grady	Acute Care Hospital
JOHN D ARCHBOLD MEMORIAL HOSPITAL	YES	915 Gordon Avenue & Mimosa Drive	Thomasville	GA	31792	Thomas	Acute Care Hospital
MEMORIAL HOSPITAL AND MANOR	YES	1500 E Shotwell Street	Bainbridge	GA	39819	Decatur	Acute Care Hospital
MITCHELL COUNTY HOSPITAL	YES	90 Stephens Street	Camilla	GA	31730	Mitchell	Critical Access Hospital
MILLER COUNTY HOSPITAL	YES	209 N Cuthbert Street	Colquitt	GA	39837	Miller	Critical Access Hospital
PHOEBE PUTNEY MEMORIAL HOSPITAL	YES	417 Third Avenue	Albany	GA	31703	Dougherty	Acute Care Hospital
PHOEBE SUMTER MEDICAL CENTER	YES	126 Highway 280 W	Americus	GA	31719	Sumter	Acute Care Hospital
PHOEBE WORTH MEDICAL CENTER	YES	807 South Isabella Street	Sylvester	GA	31791	Worth	Critical Access Hospital
PIONEER COMMUNITY HOSPITAL OF EARLY	YES	11740 Columbia Street	Blakely	GA	39823	Early	Critical Access Hospital
SOUTHWEST GEORGIA REGIONAL	YES	361 Randolph Street	Cuthbert	GA	39840	Randolph	Critical Access Hospital

Facility Name	Include in RIHT?	Address	City	State	Zip Code	County	Facility Type
MEDICAL CENTER BARBOUR	MAYBE	820 West Washington Street	Eufaula	AL	36027	Barbour	Acute Care Hospital Private 334-688-7271
BULLOCK COUNTY HOSPITAL	MAYBE	102 West Conecuh Avenue	Union Springs	AL	36089	Bullock	Acute Care Federal Hospital 334-738-2140
SUMMIT HOSPITAL	YES	4401 River Chase Drive	Phenix City	GA	36867	Russell	Acute Care State Hospital 334-732-3456
EAST ALABAMA MEDICAL CENTER AND SNF	YES	2000 Pepperell Parkway	Opelika	AL	36801	Lee	Acute Care Hospital 334-749-3411
RUSSELL HOSPITAL	YES	3316 Highway 280	Alexander City	AL	35010	Tallapoosa	Acute Care Private Hospital 256-329-7100
LAKE MARTIN COMMUNITY HOSPITAL	YES	201 Mariarden Road	Dadeville	AL	36853	Tallapoosa	Acute Care Private Hospital 256-825-7821
ELMORE COMMUNITY HOSPITAL	YES	500 Hospital Drive	Wetumptka	AL	36092	Elmore	Critical Access State Hospital 334-567-4311
COMMUNITY HOSPITAL INC	YES	805 Friendship Road	Tallassee	AL	36078	Elmore	Critical Access Private Hospital 334-283-6541
SHELBY BAPTIST MEDICAL CENTER	MAYBE	1000 First Street North	Alabaster	AL	35007	Shelby	Acute Care Hospital 205-620-8100
CITIZENS BAPTIST MEDICAL CENTER	MAYBE	604 Stone Avenue	Talladega	AL	35161	Talladega	Acute Care Hospital 256-761-4542
COOSA VALLEY MEDICAL CENTER	MAYBE	315 West Hickory Street	Sylacauga	AL	35150	Talladega	Acute Care Hospital 256-249-5000

The pilot project plans to utilize an existing optical fiber network controlled by the Florida LambdaRail, LLC, as its broadband backbone to connect the facilities to The Rural Trust.

The Florida Lambda Rail runs throughout Florida and parallels Interstate 10 and State Route 20 in North Florida, with the capacity for up to 32 separate networks running at ten gigabits per second. The Florida LambdaRail was created to facilitate advanced research, education, and economic development activities in the State of Florida, utilizing next generation network technologies, protocols, and services. We will expand that mandate to provide services in Southwest Georgia and Southeast Alabama through an inter-state network as was intended by the FCC's Rural Health Care Pilot Project funding.

The point of presence in each community will be a secure, hardened regional facility containing routing and switching equipment. It will serve as the termination point for the fiber connecting LambdaRail and an access point for connecting each hospital as well as providing broadband access for other information services.

The point of presence in each community will become the hub of broadband communications for the medical community and for the businesses and residents who are the consumers of health care. Using the point of presence, none of the hospitals will have to make capital investments in new equipment or maintain the connections. Each hospital will be connected directly to the point of presence with fiber optic cable, which will replace whatever telecommunication connection is currently installed, with no break in service. The only difference in service will be that the hospital will have significantly greater access and bandwidth available for all communication needs. The Rural Trust will act as the Internet Service Provider, offering Voice Over IP service to replace conventional telephony services, providing secure messaging and secure broadband Virtual Private Network access through the Florida LambdaRail. It will not provide any delivery of healthcare services to patients.

Hospitals will be able to connect to the Tallahassee-based Private Medical Area Network (pMAN) and UAB Department of Medicine. Access to The Rural Trust Network could significantly improve the turn-around time for rural hospitals in sending EHR's (presently 1-2 weeks) and transmitting x-rays, magnetic resonance imaging (MRI), computerized axial tomography scans (CAT scans), or any other large digital image file to radiologists or other specialists in Tallahassee and Birmingham. With the improvement in turn-around time to have these images read, the rural hospitals may be able to increase the volume of tests they run, thus increasing their service levels as well as revenue streams.

The Rural Trust Network project proposes to connect all nineteen rural hospitals in 2012-13. This rural infrastructure grant will be used for network construction of a critical leg of the NLR. Matching funds for the entire project will come from a combination of corporate and private investors in The Rural Trust.

The construction plan for 2012 is to implement a broadband wireless network in each of the rural counties. This wireless network will allow health care providers and clinics to connect to The Rural Trust Network. In addition, access to the wireless network will be provided to businesses and homes in each community, which will contribute to the economic development of each county. The last two years of FCC Rural Health Care Pilot Project funding will go to operation and maintenance of the network, and toward building a sustainable business operation.

Table 3. The proposed annual timeline is shown below: **Rural Health Care Pilot Construction Timeline** **Construction Years**	**Construction Timeline**	**Who Benefits**
2012	Conduct network design, construct optical fiber to point of presence in 21 Counties, connect hospitals, begin construction of wireless network, deliver The Rural Trust services	Not-for-profit Hospitals
2013-2014	Complete network construction, lay optical fiber to final 2 counties (or more), deliver Big Bend Health services, provide commercial Internet service	Health care providers, city and county offices, small businesses and domestic users
2014-	Broadband network complete, The Rural Trust services delivered to all providers, SaaS supported	Health care providers, city and county offices, small businesses and domestic users

The original proposal to the FCC was submitted in June 2011 by a consortium of stakeholders, led by ProForma Healthcare Solutions and Windstream Communications. The proposal was reviewed and modifications were required to allow the proposed REIT entity to qualify for funding. Initial orientation to the pilot project was provided by staff of ProForma Healthcare Solutions (PFHCS) in February 2012. Fund-raising efforts for the project began in March 2012 and have continued to the present. PFHCS has been active in seeking out investors for the 15% match in the project. The Rural Trust will be a certified participant in the Community Contribution Tax Credit Program; as such, for-profit businesses that donate time, dollars, equipment or products to The Rural Trust will qualify for tax credits. The Rural Trust's CTC will also be a certified participant in the Enterprise Zone Community Contribution Tax Credit program.

Most of the counties where infrastructure will be improved have Enterprise Zones, so this program will assist with recouping some of the administrative costs of the grant. Any business in the three states can take a tax credit of up to 50% of the value of donations up to $200,000 to an approved community development project. Credit can be taken against the State Corporate Income Tax, Insurance Premium Tax or the Sales and Use Tax. Vendors who buy poles, cable, fiber and other supplies to install new poles or retrofit existing infrastructure can apply for a one time Enterprise Zone Building Materials Sales Tax Refund. This will give them a refund of 6% state sales tax up to $10,000 and a refund on building materials purchased for new construction or renovation. We are also proposing to CMS that a new Healthcare Innovation Box be created that treats profits on royalties and licenses of software developed within the CTC at a maximum tax rate of 5.0%. This would match the incentives given in the EU under Innovation and Patent Boxes as discussed later in this document.

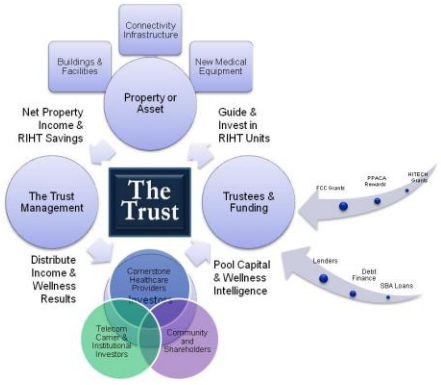
USAC requires each pilot project to submit a sustainability plan to demonstrate long term viability of the project. The detailed sustainability plan is expected to demonstrate how future revenue streams will

replace the FCC 85% match funding and then continue to support the health care network for ten years beyond the funding period.

Sustainability refers to the long term operation, maintenance and improvement of an organization to achieve and maintain financial viability. It is the outcome of specific strategies employed to utilize all of the organization's resources to create operational and financial stability and to meet the challenges of change. Financial stability implies that the cost of operations is met by the revenue taken in, plus a strategic, extra amount of capital required for development or investment purposes. Our model meets all of these criteria.

The sustainability goal of The Rural Trust is to generate revenue streams that are sufficient to cover expenses for the network at year six of the project and for nine years following (the logical obsolescence life of the network). The sustainability plan proposes developing revenue streams to cover four areas of cost in the network: 1) connectivity, 2) network maintenance and upgrading of equipment, 3) network management and 4) provision of health care services. Revenue could be generated from four sources: 1) connectivity charges, 2) SaaS subscription fees, 3) revenue transaction fees and 4) health care management services and transaction fees. Connectivity fees will be charged for the basic provision of broadband services. These services could include the broadband connection to the health care network, broadband connection to the Internet, voice over IP service and videoconferencing. A basic fee for connectivity will be charged to each hospital, and additional fees will be added as other services are requested. Hospitals will be expected to pay 15% of the recurring costs for connectivity during the pilot project period. Subscription fees for connection to The Rural Trust CTC Services will be charged to each hospital and clinic connected to the network. This fee will cover the cost of providing health information exchange services to each facility, as well as provider outreach and EMR data entry for participants. These connectivity fees will not exceed the existing costs of broadband services to each facility and may be reimbursed as dividends once The Rural Trust is profitable.

In addition to the CTC services, additional services will be offered on a transactional basis. By providing connectivity to radiologists at urban hospitals or radiology labs, the broadband network would facilitate the movement of large image files between rural and urban settings, with each transaction charged a fee for the service. The CTC could also offer health care services that are carried over the broadband network to enable hospitals and clinics to take advantage of value-added services that could lower their operating costs. Telehealth services would allow videoconferencing with urban specialists so that patients do not have to travel from rural to urban areas, and health care facilities could provide better health care services. Or continuing education services could be offered for physicians in rural facilities to allow physicians to remain in their clinics and complete required educational credits. By providing a mix of health care services, broadband connectivity and health information exchange services, the sustainability plan proposes to build a network that will sustain itself, and grow into a new maturity with the development of new network-based applications and services supporting the Rural Trust indefinitely. ProForma Healthcare Solutions is taking the lead in drafting the sustainability plan, which should be complete and submitted to FCC for review by June 1, 2012. Once the sustainability plan is completed, the first RFP must be submitted to USAC for broadband backbone services for national connector to the National LambdaRail. The original proposal specified the Florida LambdaRail as the carrier of choice, but USAC rules require all services to be bid publicly for 28 days on their website. This RFP will require an evaluation team made up of impartial stakeholders to select the winning proposal. The



RFP for a broadband connector to the National LambdaRail should be submitted by June 1, 2012 to USAC.

A second RFP should be submitted soon after for a Design Study to determine the most suitable fiber routes and location for the point of presence building. This study will also determine the necessary permits (and their controlling authority), switching equipment, network security equipment, rights of way issues, estimate the amount of fiber optic and other construction materials required and predict the cost of all materials for the project. The construction RFP will be based directly on the outcome of this study. This RFP will again require an evaluation team made up of impartial stakeholders. The RFP for a Design Study should be submitted on June 15, 2012 to USAC. The final Request for Proposal covered by this grant is the RFP for construction of the fiber network and related infrastructure. This can only be written after the Design Study is completed and submitted. A probable earliest date for the completed Design Study would be May 1, 2012. If the RFP for Construction were submitted a month later, on June 1, 2012, construction could conceivably begin by July 1, 2012. It should be noted that under the USAC rules, the vendor selected for any RFP need not by the cheapest bid. Consideration can be given to the efficiency, quality and overall feasibility of the vendor for the job to be done and bid proposals can be evaluated according to these guidelines. Chronology of Optical Fiber Construction Phase The first step will be to begin the engineering phase of construction to produce the necessary plans/drawings to obtain necessary permits and direct the construction crews. Preparation and production of the plans will likely be done in phases to accelerate beginning the physical construction. The actual phases and their specific schedules will be determined once the design study is completed. One of the early priorities of the design study will be to identify long lead time issues so they don't become construction barriers. In order to expedite construction several items that are not determined by the design study can begin during that phase. For example, while specific routes may not yet be identified required pole attachment agreements that must be secured are not route specific. Similar items that are identified will be addressed as appropriate. In consideration of weather delays and unplanned delays the initial construction should take 12-14 months. This can be significantly impacted by active local stakeholder support of the project.

We are requesting $38,222,630.00 to create The Rural Trust prototype, a private-public partnership, that can be used to secure FCC funding for broadband infrastructure, integrated data services, analytics and cloud based Health Care IT applications at a fraction of the cost of traditional approaches. This is about more than just savings. It is an attempt to save rural hospitals and clinics in the poorest Congressional Districts in the US and the elderly, disabled and children they serve.

3. Project Goals and Objectives

Rural America is the focus of two large government initiatives designed to create growth and improve the quality of healthcare in every community but each has stalled before adoption by its stakeholders. To be successful, both need robust broadband connectivity. The healthcare industry, on its own, has shown an incredible resistance to change and, the telecommunications industry continues to focus on harvesting profits from its existing infrastructure rather than trying to reach America's last 10%. Is this the right time to converge the efforts of two incalcitrant industries to deliver the next catalyst for change?

Let's take a closer look at the stakeholders involved. First, we have the FCC:

- Under pressure to get effective Rural Health Care Programs that deliver broadband services to remote areas
- Wanting to act as a catalyst to drive rural economic development through telecom
- Preferring to have projects managed by experienced telecom personnel given results of the existing pilot program
- Needing national broadband network build-out for redundancy, security and capacity
- Providing the Administration with telecommunications innovations and PPACA Case Studies
- Willing to fund 85% of healthcare broadband infrastructure build outs that can demonstrate success.

Secondly, we have Health and Human Services CMS:

- Under pressure by the Administration to get ACOs underway
- Would like to drive healthcare technology and delivery innovation and economic development
- Needs to reduce healthcare delivery costs, improve prevention modalities and integrate systems across providers
- Provide the Administration with healthcare innovations and PPACA Case Studies
- Is willing to provide supplemental funding specific to meaningful measured healthcare improvements
- Is willing to set-aside Anti-Trust concerns (with DOJ, FTC and IRS) for ACO formation but few rural providers are applying

Thirdly, we have the healthcare providers:

- Losing 75% of Disproportionate Share Payments ($3MM-$4MM annually for a 120 bed hospital) by 2014 under PPACA
- Need to integrate with other healthcare providers (not-for-profit and for-profit) to scale to reach savings targets
- Need expansion of Rural Exception Rule to address Anti-Trust and Stark1 reviews for ACO qualification
- Need connectivity infrastructure to leverage Electronic Medical Records and to provide data storage, hosting and processing
- Need for telemedicine applications to offset loss of retiring physician base
- Would like access to research grant work in addition to grant revenue/savings from technology and process improvements

Fourthly, we have the telecommunications carriers' point of view:

- Under pressure to grow in to new enterprise markets but cannot justify economics for 2-3Gbps rural expansion
- Need substantial improvements in the national infrastructure to support redundancy, security and peak traffic needs
- Need a market to develop heterogeneous network integration and technological innovations from defense sector
- Need to expand in to more profitable data and application hosting services

- Would like to access rural healthcare enterprise markets but they are highly fragmented, cost and resource constrained

The communities served will benefit from:

- Access to critical health care services
- Access to Electronic Medical Records
- Access to telemedicine applications to offset loss of physicians
- High speed services for First Responders
- Better healthcare services and appropriate care

Another benefit is to leverage the hundreds of Combat Medics returning from Iraq and Afghanistan to Rural America. They have been trained to use advanced telemedicine applications to provide emergency medical treatment, limited primary care and health protection and evacuation from a point of injury or illness. Frustratingly, once they return to the US, they do not have access to the same broadband-hungry applications they used on their missions:

- Augmented reality apps for administering emergency medical treatment to battlefield casualties
- Remotely interviewing patients and recording their medical histories
- Dynamically transmitting patients' temperature, pulse and blood pressure
- Preparing blood samples for remote laboratory analysis
- Keeping electronic health records and clinical files up-to-date
- Preparing physicians, operating rooms, equipment and supplies for surgery
- Leveraging visual confirmation for real-time diagnosis, stabilizing treatment and triage
- Plan and conduct logistical evacuation from the field of battle and en route life support
- Remote supportive care in the event of delayed transport

And, furthermore, the thousands of unique and promising physician-developed applications that have not yet been commercialized or made available for use by other doctors.

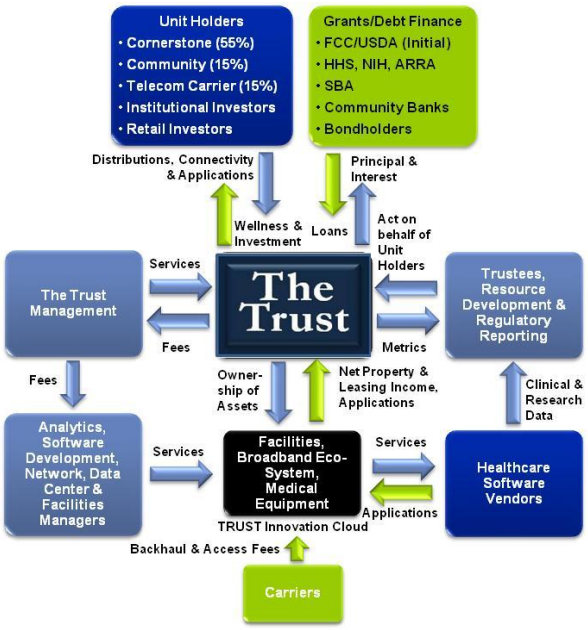
Any rural organizational model designed to bring these parties together must meet the majority of these needs and qualify for the FCC's 85% infrastructure funding. We have developed The Rural Trust as a real estate investment trust (REIT) that allows each of the partners to participate in the entity and benefit from the pass-through dividend structure. As a pre-ACO support vehicle, the focus of The Rural Trust is to provide 100Gbps backhaul fiber between two major markets but strategically passing through qualified rural counties in need. When this connection is completed, the leasing of bandwidth on this backhaul by InterLATA and cellular phone carriers will make this fiber a significant and appreciable asset.

Ultimately the goal of The Rural Trust model is to bring private investment in to the partnership with a local carrier and several healthcare providers. Private equity investors will have an opportunity to participate in ownership up to 15% of the pre-revenue valuation of the trust to leverage the 85% FCC

infrastructure grant acquired by the rural healthcare providers. This cash infusion, along with the investment made by the selected carrier, is designed to provide the 15% matching funds needed by the FCC. Once operating, the trust can support rural healthcare providers in their efforts to become integrated before entering an ACO and after the ACO has been successfully formed. The most likely exit for private investors will be the buyout of the trust by a large telecommunications provider who is looking to add the backhaul asset and the new customer base to its portfolio. Our goal for this project is to successfully obtain FCC funding for the Tallahassee to Birmingham fiber backhaul run and associated network costs.

4. Entity Design

Traditionally, REITs have been formed by 100 or more shareholders to build, develop and/or operate real estate facilities. In November 2010, the IRS ruled that power transmission lines owned by Hunt Consolidated's REIT could be treated as a real estate asset. Given that precedent, the trust is looking for a similar treatment by the IRS for buried telecommunication lines. If successful, the trust could operate as a REIT and distribute 95% of its profits annually to its shareholders for services provided for the "convenience of its members". This would provide one of the most efficient means to translate the fiber backhaul asset in to value for healthcare providers beyond access to some of the highest speed bandwidth in the nation.



Similarly, the FCC has approved Rural Health Care Pilot Program applications from rural for-profit and not-for-profit healthcare providers that can demonstrate that they service rural poor districts and require the broadband to improve delivery of services. The trust will be made up of a consortium of healthcare providers, a telecommunications carrier and private equity institutions that may or may not be for-profit.

The up-front inclusion of the telecommunications carrier is critical to the success of the project and is based more on experience and capability than providing a low-cost model. Rural healthcare providers lack the resources necessary to tackle projects of this scale and level of technical capability. Further, the OSS/BSS required to track inter-carrier billing and traffic management are beyond the hospital and physicians' need to focus on patient centered care. In the role of a carrier's carrier, the telecommunications partner will ensure that the backhaul is leased to its maximum potential and off-net opportunities are leveraged.

The FCC is in the process of creating its new Rural Health Infrastructure program. We believe that any deliberation of this program without looking at the needs of healthcare providers under PPACA and the formation of ACOs would be remiss. Continued focus on providing cost parity with urban markets for low speed bandwidth to meet coverage minimums may absolve the FCC of political backlash but it does not remove the clear disparities in access to quality healthcare that exist in rural America. This should be the goal of any successful Rural Healthcare Infrastructure Program.

5. Healthcare Provider Recruitment and Enrollment

In March 2012, ProForma will be presenting The Rural Trust solution to the FCC for discussion. That presentation will include a summary of our application for FCC funding for a 100Gbps fiber backhaul run between Tallahassee, FL and Birmingham, AL connecting two National Lambda Rail endpoints. The funding will also provide for several points of presence (POPs) along that line to supply 1Gbps (upstream) broadband access to 21 rural counties including the poorest Congressional Districts in the nation. In Moultrie, GA, we plan to provide estimates for The Trust's NOC, Advanced Healthcare Data Center and Converged Technology Innovation Centers for telemedicine application development. In addition to providing region connectivity, the project will provide hundreds of immediate job opportunities and several high earning long-term positions within The Trust. It is expected that the project will also attract opportunities for hardened business continuity centers and independent software developers who value access to high speed broadband and a re-tooled workforce.

As of this date, several hospitals have been identified as potential participants in The Rural Trust (see Table 3). It is important to note that the communities these hospitals serve cross state lines but have similar patient populations and methods of service delivery over a broad topology.

Rural connectivity is only the first part. We are offering a CCHIT11 and ONC Certified Ambulatory EHR that includes Practice Management, EMR and Revenue Cycle Management in one solution (single database). The technology, combined with revenue optimization, offer a unique and sustainable partnership with The Rural Trust. The extremely flexible architecture provides mobility, interoperability and rapid deployment capabilities in a scalable 100% web-based platform. The Rural Trust offers a unique business model that provides:

- low or no cost entry in to Electronic Medical Records (EMRs), practice management, billing, clearinghouse connections, revenue cycle management and other software, hardware and services that were previously too risky and/or costly for rural healthcare providers
- ACO compliance reporting
- A 360 degree view in real-time from check-in to treatment including total transparency through to the clearinghouse and payer payments at the individual encounter transaction level

This provides the community unparalleled access to their own records and the ability to focus on preventative practices and superior access to treatment.

ProForma has identified three contiguous rural regions that could be served by similar models connected to The Rural Trust. Each lies between population centers that are not presently connected to the Internet2 or National Lambda Rail such as Birmingham, AL to Memphis, TN and Memphis, TN to Kansas City, KS. Each region includes FCC designated poor and rural counties that will require connectivity and assistance to reach rural health equity. More providers will help influence the development of the Rural Health Infrastructure Program so that it has a sustainable impact on the communities they serve. Only by crossing the connectivity divide, can we hope to meet the ambitions and much needed expectations of PPACA and the National Broadband Plan.

6. Education and Outreach

In our Comment Letter to CMS of 28 April 2011, we addressed the issues that bar small hospitals in the poorest and most rural Congressional Districts in the US from participating in Accountable Care

Organizations and, effectively, from participating in the integrated healthcare delivery models that PPACA requires by 2014. The key drivers are: 1) traditional bank and bond financing is not available for start-up costs; 2) Critical Connectivity and IT infrastructure does not exist; 3) small ACOs cannot reach target savings within 2 years; and, 4) costly and complex Anti-Trust Reviews for Sole Community Providers with over 50% market share. We spoke with several rural hospitals and healthcare providers during this process.

We will educate providers about an Integrated Healthcare Connectivity and IT Public-Private Partnership (PPP's) called "The Rural Trust". The Trust is a pre-ACO Real Estate Investment Trust (REIT) that is majority owned by rural not-for-profit healthcare providers. Their primary revenue generating assets are the easements around a 100 Gbps fiber backhaul network that connects to the National Lambda Rail or Internet2 of two major cities and runs through or adjacent these rural and poor markets. The installation of this telecommunications infrastructure, a purpose-built heterogeneous 1Gbps (upstream) broadband blanket to cover all of the Healthcare Providers service areas and purpose-built data and cloud computing application centers that support clinical decision support, electronic health records, health intelligence and compliance reporting, telemedicine and Medical Home application development and SaaS deployment create a foundation for healthcare innovation in Rural America that is sustainable because of carrier mobile backhaul and InterLATA traffic fees. But where does the $20mm to $40mm required to build such a network come from?

Under the Rural Healthcare Pilot Program, the FCC has funded many such projects with less benefit from an economic development and health equity basis. The RHPP took funds from the Universal Fund and provided 85% of the costs to build broadband networks, data centers, hire resources and buy software to manage and support the network and Electronic Health Record systems. In October 2010, the GAO issued a report of this program giving it failing grades. Of the $400MM per year that was supposed to be allocated to build out rural healthcare networks since 2006, less than $300MM had actually been awarded.

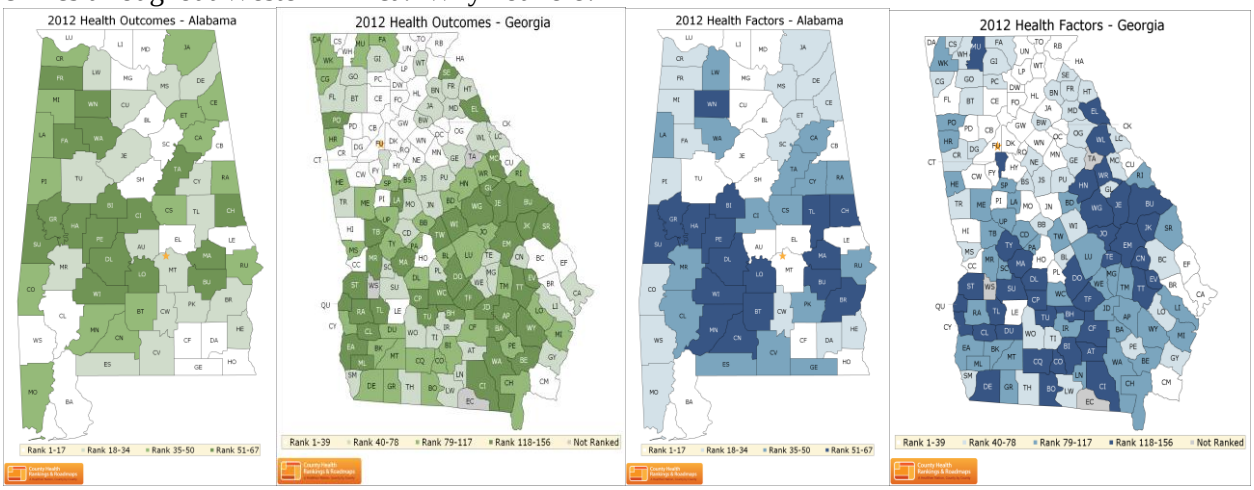
Our discussions with the FCC this year have helped us understand why: rural hospitals do not have the telecommunications resources or know-how to manage large infrastructure projects. And, the FCC could not obtain demonstrable improvement measures for the small WIFI deployments that the rural hospital IT departments could handle successfully and find 15% investment for.

We require some of the administrative funding to create The Rural Trust. This involves: 1) Bringing the local healthcare providers in the target areas together under a Teaming Agreement to pursue the FCC funding; 2) creating The Rural Trust legal entity under a REIT structure for investment purposes; 3) hiring the healthcare IT, telecommunications, real estate, investment and legal team; 4) designing the backhaul, optimized network and data/cloud computing centers; 5) complete the ROI and sustainability analysis; 6) aligning and preparing a detailed project plan for initial data backup and storage needs for every participant; 7) designing the compliance reporting system to be automatically pulled from the backed-up data-set; 8) developing the SaaS application partner base; 9) assessing the healthcare provider systems; 10) creating the IT/Process integration plan; 11) developing the strategic and private investor plan; and, 12) writing the FCC Rural Health Care Infrastructure Program proposal.

Our model is applicable and repeatable for any market where the poorest rural areas lie in between two population centers already served by the National Lambda Rail or Internet2 high speed networks but not connected to each other directly. Examples include Little Rock, AR to St. Louis and Memphis, TN to Kansas City, MO backhaul runs that cross 11 counties in Missouri who's Sole Community Provider Hospitals will likely fail when the DSH payments are reduced by 75% in 2014. Another example is

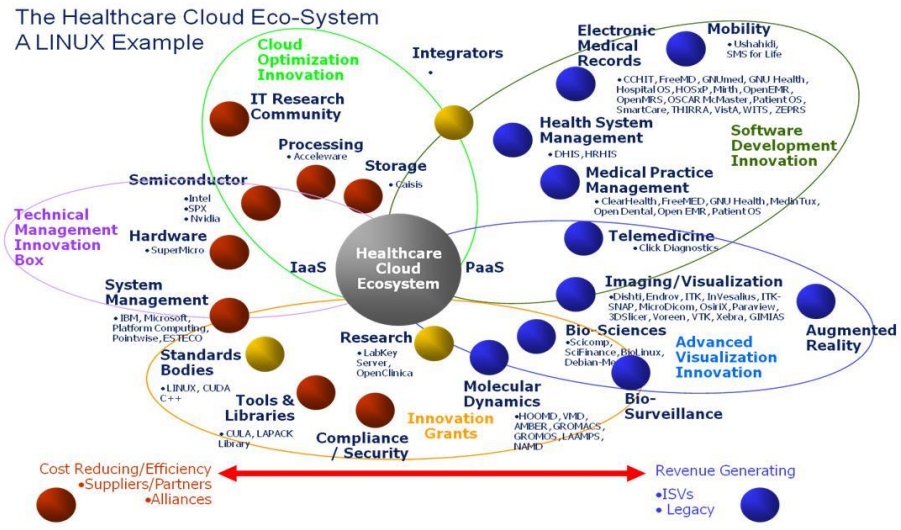
Albany, NY to Montpelier, VT or Orlando, FL to Miami, FL backhaul runs. For this initial project, we are focusing on a backhaul run and coverage build-out between Tallahassee, FL and Birmingham, AL.

This opportunity to help the poorest communities in the country, Randolph and Calhoun Counties in Georgia and the 5th poorest Congressional District in the Black Belt of Alabama, create economic development that will lead to the best integrated care system in the nation is our focus, our passion and our goal. We have built these Private Public Partnerships (PPP's) to deliver connectivity for rural healthcare clinics throughout Western Africa. Why not here?



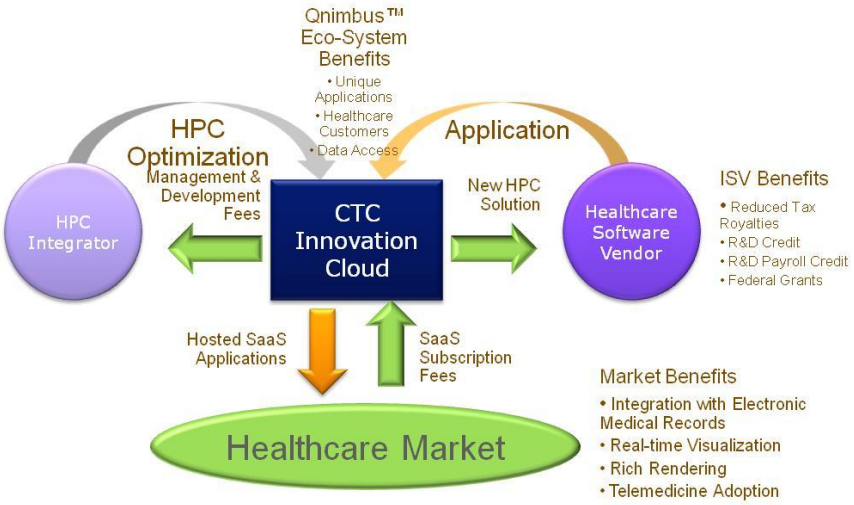
7. Community Integration

The $33 million Jobs and Innovation Accelerator Challenge that the Obama Administration announced last week will help capitalize on shared strengths, encouraging America's regions to plan more strategically to support long-term growth and an environment where the private sector can succeed. It reflects an understanding by both private sector leaders and policymakers that we must implement strategies that capitalize on the full extent of regional assets and ensure that the benefits of cluster development extend to all workers and communities throughout the region. We applaud the simplified access to Federal funding and basic resources. However, rural healthcare innovation requires a more powerful catalyst to bridge great ideas to commercial reality.



Places like Raleigh-Durham have created successful innovation clusters at Research Triangle Park for many technologies. Given that the region was already endowed with three prominent research institutions, complete connectivity and several large technology employers that arrived in the 1980s when the IBM

PC Division headquartered their production and research there, one might argue, in another venue, that the cluster would succeed with or without government assistance. In Rural America, we often have none of these. The largest employer in the region is typically the healthcare system and it has many diverse and complex needs that will undergo significant change over the next few years.



As we have discussed earlier in this document, the CTC also exists as a co-development center for the conversion of ISV and member applications to SaaS enabled products as well as the development of new innovative software and processes. The Healthcare Innovation Cloud, which we refer to as the Qnimbus Eco-System, is designed to deliver those benefits for rural economic development. Access to High Performance Computing professionals that understand how to convert software code for massively parallel processing, tightly integrate software and CPU/GPU hardware/devices, optimize networks for transport of large and small data, and work with healthcare providers at the regional level to design user interfaces that are simple yet sophisticated. The cloud allows the reach of highly specialized expertise to extend throughout the LambdaRail and beyond. It also allows rural developers to circulate iterations to a wider and more experienced test group. Fast prototyping of healthcare IT solutions has never existed in rural markets before. In fact, dependency on legacy IT has been a major impediment to innovation. Under investment in IT and Connectivity have stalled EHR and integrated service delivery efforts even as Federal mandates threaten to penalize non-conformance.

At the core of our business model are Convergent Technology Centers (CTCs) connected to the National LambdaRail, that provide a variety of valued added HPC development services for Cloud deployments. CTCs intend to become a market leader in supplying HPC Development, Carrier Independent Collocation and related Valued-Added Services to ISVs through their strategically located facilities throughout rural America. These facilities create the need for skilled technology jobs.

The CTCs target customers include:

- ❑ Qnimbus™ ISV Members
- ❑ Rural Accountable Care Organizations
- ❑ University Researchers
- ❑ SME BioTech and Genome Start-Up Companies
- ❑ Government Researchers (CDC, DoD, DoE)
- ❑ Independent Software Vendors (ISVs) for development of HPC applications
- ❑ Joint Ventures with Large Corporations for Advanced Visualization

Often, the existing set of telemedicine solutions fail to consider the limitations of the network or the healthcare provider to have HPC access. The CTC can solve that need.

Our CTC intends to provide a variety of valued added services in addition to basic co-location service. An indication of the breadth of services envisaged is listed below.

- Co-Location services -Racks, cabinets, cages, power and technical support.
- Complex Hosting Services -Dedicated and shared servers (generally leased)
- Managed services -Monitoring, reporting & troubleshooting, network caching, load balancing, firewall & security, data storage and recovery
- Professional services -Code design and optimization, architecture and implementation in areas such as networking, IT security, web systems, mHealth, patient database systems, specialized hardware development
- Network services -Cross connectivity and 100G internet access

Bringing high performance computing and advanced visualization jobs to rural America is just another benefit of the RIHT. Once the infrastructure is in place and the rural market is no longer "bypassed" on the information superhighway, the access to underserved populations will bring researchers and innovation if the IRS approves the CTC Healthcare Innovation Cloud.

Modeled after the Dutch patent box, the Healthcare Innovation Cloud requires certain changes to the US tax code. The most important changes are:

1. the effective corporate income tax rate is reduced to 5% within the innovation cloud crediting withholding taxes on licensing income could result in an even lower effective tax rate than 5%
2. losses from intangible assets in the innovation cloud are deductible against the regular corporate income tax rate
3. there will be no maximum or cap to the use of the innovation cloud, for patented intangible assets and for intangible assets which result from R&D activities for which a CMS Healthcare Innovation certificate is received.

The innovation cloud is applicable to profits from intangible assets for which a patent was granted or which result from R&D activities for which a qualifying CMS Healthcare Innovation certificate has been received. A CMS Healthcare Innovation certificate can for example be granted for software development. Besides access to the innovation cloud, a CMS healthcare Innovation certificate also grants a reduction of wage tax costs linked to the R&D activities.

The income that can be taxed under the innovation cloud against the 5% tax rate should be reasonably linked with the self-developed intangible asset. It is specifically not limited to royalties and/or capital gains, because this would limit the different business models that software companies may have. Before the revenues can actually be taxed against the reduced rate in the innovation cloud, the income should exceed the costs of development. A residual profit split method can be used to allocate income to the cloud and determine the overall income of the participating company.

The intangible asset must be self-developed by the company. However, practical solutions for acquired (existing) intangible assets and contract research should be available. It can for example be considered to have the overall management and coordination of the global R&D activities of a multinational group in the Rural America and have (part of) the actual R&D activities take place somewhere else in the cloud.

The innovation cloud will need to be included in the IRS Corporate Income Tax Code and not under review of the State or Federal Government as state aid. For not-for-profit entities, the proceeds from

innovations sold through the CTC can avoid UBIT violations, and risking loss of 501(c)(3) status, by recognizing the business income as a "convenience to members". We will be seeking an opinion on this tax treatment later this month.

8. Organizational Capacity

Any project of this size and complexity requires an experienced and diverse team. While ProForma Healthcare Solutions will be the Prime Contractor for the project until The Trust is formed, we have selected several team members to manage different facets and stages. Windstream is a $6.2b telecommunications partner that has steadfastly focused on Rural America and will manage design and construction of the network and data centers in a carrier's carrier capacity. The Georgia Partnership for TeleHealth will work with each of the healthcare providers in the network to enable telemedicine applications and services. Silk ISI will provide EMR, practice management applications and revenue optimization support over the cloud.

A. ProForma Healthcare Solutions

ProForma Healthcare Solutions focuses on delivering innovation to the Emerging Growth Economies by providing business strategy, financial acumen and deep telecommunications and utilities knowledge. With over 45 years of cumulative experience, Equity Technology Partner consultants have overseen the strategy, acquisition, development and implementation of a wide range of highly complex and leading edge ITC. In the telecommunications sector, ProForma Healthcare Solutions has advised governments, telecom operators, network cooperatives, financial institutions, device manufacturers, software application developers, the US National Research Labs and The World Bank. We now apply that experience to help new markets leapfrog over the technological steps the Developed World had to take to create their connectivity infrastructure. ProForma Healthcare Solutions are currently or have been involved in relevant projects in Western Africa, the Caribbean, South America, Europe and the US.

In short, ProForma Healthcare Solutions brings to this project and to the FCC a unique combination of:

- in depth financial and business strategy experience with the development of new telecommunication infrastructure and service entities and the successful organizational transition to new business models;
- methodologies to provide clear analysis and recommendations;
- a broad network of ICT companies and private equity institutions that invest in a variety of international assets from infrastructure to spectrum;
- recent experience working in the rural US and West Africa, and
- the integrity and commitment to successfully manage and complete transactions.

B. Windstream Corp.

With Windstream's customized solutions, hospitals, clinics and physicians in our rural areas are able to quickly collaborate and consult with resources in urban areas for more

rapid patient diagnosis. Using Windstream's network products, they can access continuing education programs remotely, saving both time and money. By reducing expenses and travel time for patients and practitioners, decreasing medical errors and quickly sharing critical patient information, health care providers are able to focus on their ultimate goal of providing patient-centric, affordable care.

Windstream's variety of communications options for the healthcare industry includes options such as MPLS and Virtual Private Networking (VPN), which provide secure connections when transmitting confidential patient data, allow for real-time communication and collaboration, or even facilitate multimedia access for specialist consultations. Ethernet Internet allows physicians to download and upload large data files, up to 100 Mbps, with dedicated Internet access, and Windstream's Managed Security solution delivers comprehensive privacy protection against network-level and content-level threats, ensuring patient records are kept confidential.

C. Georgia Partnership for Telehealth

The mission statement of the Georgia Partnership for Telehealth, Inc (GPT) states:

Georgia Partnership for Telehealth, Inc. is a charitable nonprofit corporation which was formed to promote improvements in healthcare and healthcare facilities in rural and underserved communities throughout the state of Georgia by assisting in the establishment of Telemedicine Programs. Our mission is to:

- *Improve and promote the availability and provision of specialized healthcare services in rural and underserved parts of Georgia.*
- *Educate and provide training and technical assistance to hospitals, clinics, and primary care providers to implement and achieve exchange of health information*
- *Reduce the service barriers that exist for patients who live in rural parts of Georgia at a distance from hospitals and other medical facilities.*

Georgia Partnership for TeleHealth is recognized nationally as the most robust, comprehensive network in the nation. We have seen expansion to include nursing homes, school clinics, jails, clinics, ER's, trauma, stroke, primary care, child advocacy, and continuing eduction. The network now has over 250 locations. We have seen clinical utilization climb exponentially. While January, 2006 we had a mere 8 encounters, we had over 40,000 encounters for 2011.. We now have over 175 specialists, representing over 40 specialties, participating in the network. Providing access to healthcare via telemedicine has proven to cut costs on travel, work time and provides earlier access to care therefore preventing the large costs of untreated healthcare problems. The Georgia Telemedicine Program is proven. There is a widespread acceptance of its use in Georgia. Thanks to our legislature for supporting reimbursement and using technology to reform healthcare, Georgia is leading the way and soon the entire Southeast will to…

The Georgia Partnership for Telehealth (GPT), was awarded the Southeastern TeleHealth Resource Center grant from HRSAs Office of Advancemnt of TeleHealth. The center will employ a two-fold approach by developing and expediting customized standards in telehealth education and by providing technical assistance for the development of telehealth networks in the Southeast region. In addition to collaborating with existing telehealth

resource centers nationwide, SETRC will establish a wide range of available resources and provide subject matter expertise on telehealth.

GPT was also awarded in 2010 a sustainable broadband project grant an innovative called "TeleConnect Georgia for Better Health" (TCGBH) which will utilize telemedicine, broadband, awareness and education to increase broadband adoption and improve the health outcomes of rural Georgians through access to broadband technologies.

D. Silk ISI

Silk ISI will provide the EMR and practice management technology and personal resources to serve healthcare providers for the long run. A true enterprise, end-to-end, certified Software as a Service (SaaS) solution for the medical specialty market:

- No-cost entry into Electronic Medical Records (EMR)
- Coordination with practice management and revenue cycle/billing systems
- Adaptable, open architecture software certified by industry professionals
- Configured by specialty and size of practice
- Single integrated database with a transparent 360-degree view

Silk is compensated based on performance with lasting results with a model that changes as healthcare and your practice needs change: Our payment is earned using smart money concepts on receivables collected through our unique practice management, EMR and revenue cycle processes, technology and know-how. You will know if we can improve process and cash management revenue before you even begin our partnership. We will put our money first, and if our solution doesn't work, we don't get paid. That's how confident we are in what we deliver.

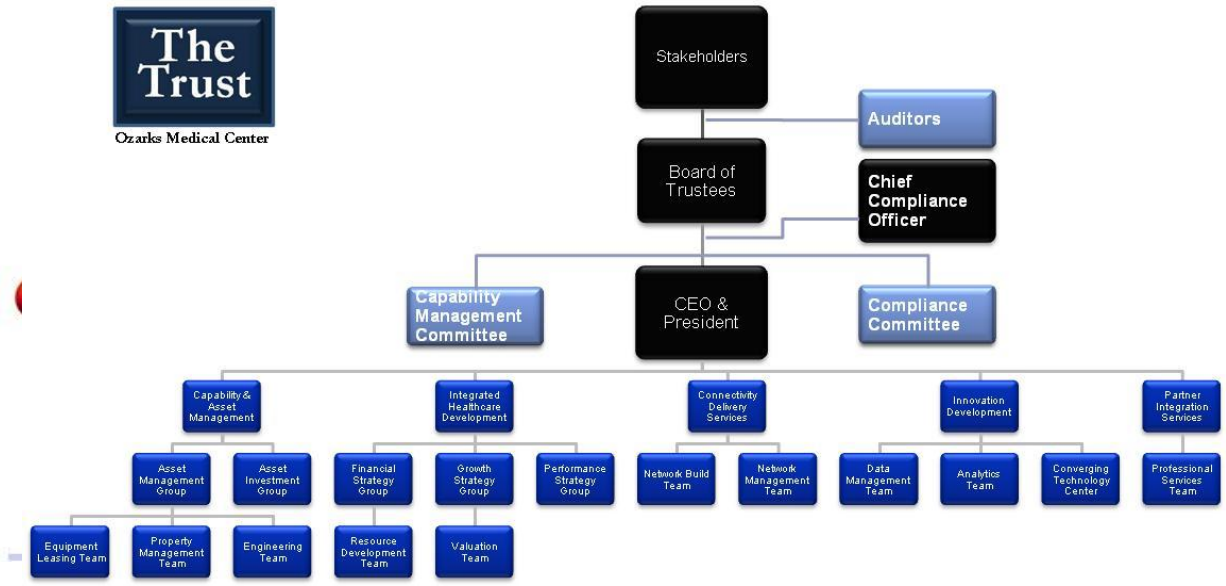
E. Integral Information Systems, LLC

Since 1987, Integral Information Systems (IIS) has provided cost effective, innovative analytical software solutions to health care decision-makers to assist with increasingly complex challenges. IIS associates with academic environments to keep abreast of the latest academic research in the business intelligence area and have several well-known research scholars on our technical advisory board. We also have a close relationship with the University of Buffalo and actively participate in their research work. Our goal has always been to allow organizations to take their financial and operations data and turn it into information that results into precise actionable information on an as-when-needed basis. All IIS clients are very positive references because we take the time to understand our clients' needs and provide them with an analytical tool that does not limit their ability to compare and contrast disparate systems data and financial/operational parameters.

Pinpoint uses a radically different cube-less architecture that allows an extremely fast implementation. As a low cost alternative to the current B.I. solutions, Pinpoint requires minimal formal training to convert a nontechnical user into a power user of enterprise information. Pinpoint puts powerful analytical capability into the hands of front-line managers, mid-level directors and executive management. Any authorized user can look at what is happening and make operational changes or corrections before they become bottom-line problems. Authorized users can generate a report right from their desktop,

getting the "what is happening and why?" questions answered as needs arise. A user is not required to have intensive computer language skills or extensive query writing training to become a successful analyst.

9. Organization Structure and Staffing



We provide a holistic approach to our projects that differentiates us from a pure technical review in serving and advancing the alignment of the economic, social, governmental and policy objectives of CMS and the FCC. Our staff includes professionals that have provided legal and regulatory advice to governments on the issues of tax, employment law, intellectual property protection and much more to facilitate corporate and private investment. This additional perspective of rural markets will be invaluable to the ultimate success of our projects.

10. Workforce Deployment and Deployment Plan

See attached Workforce Plan and Staffing Schedule to complete the creation of The Rural Trust.

11. Evaluation and Reporting

Performance objectives will be milestone based and determined after the Project Plan has been finalized and accepted by the FCC and CMS.

12. Funding and Sustainability

As stated previously in this document, revenue streams that make this PPP sustainable include:

- Mobile Phone Backhaul Fees
- InterLATA Fees
- Revenue Cycle Management Fees (range 6% to 14%)
- Data Storage Fees
- EHR Conversion Fees

- Application Co-Development and Conversion to SaaS Costs
- Enterprise Connectivity Subscriptions

Detailed financial models are available for government agency and investor review upon request.

13. Budget Narrative

See attached MS Excel Spreadsheets for a detailed breakdown of the Project Budget.

14. Team Composition

ProForma Healthcare Solutions offer a unique level of qualifications with respect to the prospective advisory team. Brief profiles of our advisors, lawyers and consultants who would be available to participate in The Rural Trust prototype project are provided below.

We highlight especially the backgrounds of Mr. John Ellingson, Mr. Joseph Quattlebaum and Mr. Reginald Maisonneuve. These are the planned senior core members of the advisory team, each of whom has previous experience with respect to purpose-built telecommunications networks and setting-up PPPs for investment. The qualifications of these advisors and other potential members of our team are described in greater detail below.

The following are summary profiles of the prospective senior advisors:

A. Team member credentials

John Ellingson – *Project Leader*

Mr. John Ellingson is a business and financial strategist in telecommunications, technology and the intersection of non-ICT sectors including a solid background in project management of large and complex projects. Mr. Ellingson's experience includes a thorough knowledge of the communications services providers industry (fixed & mobile, heterogeneous, fiber backhaul, etc.) combined with considerable experience related to setting up and investment of complex telecommunications public-private partnerships to support economic development and specific government sponsored improvements in national infrastructure, security and the health equity of rural populations.

During more than 25 years Mr. Ellingson has advised governments, global corporations and NGOs on developing business entities, product portfolios and strategic acquisitions to take advantage of the convergence of technology, media and telecommunications. While at Deloitte, Mr. Ellingson was the US National Manager of Telecommunication, Media & Technology Business Innovation. He has an extensive experience of assessing the competitive markets, proposing strategic options and managing the creation of new business entities and organizational structures. He has over 27 years of international business experience in Africa, Asia Pacific, Europe, Middle East and the US. This includes a recent assignment

with the World Bank to develop the PPP strategy for ECOWAS leveraging the telecommunications infrastructure provided by the Western Africa Power Pool.

More recently his consulting activities include strategic and tactical planning, private and public funding and deployment for unique cooperatives in Rural America that are facilitating connectivity and integrated service delivery of several hospitals, clinics, physicians and telemedicine applications. He just completed his work with MacmillanKeck on the SALCAB Divestiture project of the ACE Landing in Sierra Leone. Proceeds from investors will help fund purpose-built networks throughout the country to support rural healthcare clinics, telemedicine application and a national healthcare system.

At Johnson & Johnson, Mr. Ellingson was brought in as a strategic advisor to assess the existing corporate investment strategies of their $480MM fund. While at J&J, Mr. Ellingson worked with Michael Raynor, the co-author of the Innovator's Solution, to create an implementable methodology for the company's executive management team. He led the development of scenario analysis and solution-sets for the Neurology and Cardio-Vascular business units and presented detailed considerations for the impact of healthcare reform in the US to the CEO.

Specific samples of telecommunications work include advising Qualcomm executives on market entry in China. Leading a team of 3 international consultants and the firm Li & Li, we developed a strategy to set-up a licensing arm in Singapore designed to protect Qualcomm's intellectual property in Asia Pacific and assist in the collection of royalties associated with those patents in China. Mr. Ellingson's advisory responsibilities were to work directly with counsel to provide additional IP strategy, royalty audits and protection for the portfolio.

At AT&T, he led a Deloitte team that built detailed financial projections for the introduction of IPTV in to fast growing MDU markets in the Southern US. The project included high level network design, with the construction of two new video head-ends, and coordination with several McKinsey & Co. partners who were responsible for the overall market strategy. Mr. Ellingson's financial advisory responsibilities were to build the financial model and identify the decision criteria for moving forward on multiple options for AT&T including off-net leasing, acquisition and further research and development. He presented his findings to the company's executive team and the Executive Staff.

At Motorola, a Deloitte consulting team worked with their product development departments to create a global supply chain strategy for Blue Tooth™ enabled devices. Our responsibilities were to design a joint venture with the Chinese government and to identify potential suppliers for critical components of the new "Q" series mobile phone. Mr. Ellingson's responsibility included designing product manufacture and assembly processes that protected Motorola's patents and licensees. The work resulted in global adoption of "black box" integration modules within every Motorola licensed facility to limit local interaction with highly sensitive proprietary technologies.

At Lockheed Martin, a Deloitte team of consultants reviewed over 300 telecommunications technologies under development at the US National Research Laboratories and developed strategies for outside investment. The technologies included Smart Antennae designs, Ad Hoc Mesh Broadband/Narrowband Networks, 40Gbps Encryption devices, Unstructured Data Clustering algorithms, secure CDMA to WIFI hopping algorithms and more. Mr. Ellingson's responsibility was to identify the technologies closest to commercialization and value the intellectual property. He then worked with the development teams to create their commercialization path, identify market partners/customers, private and corporate investor strategies and business plans.

Joseph Quattlebaum – *Converging Technology Center Expert*

Joseph Quattlebaum has over 30 years of extensive experience in providing telecommunications and utilities companies world-wide with cost-effective and financially justified ICT solutions to many of today's most challenging strategic issues including business case development and financial analysis, modeling and valuation for technology investment, divestiture, acquisition, re-structuring and licensing.

He began his career international banking with Bankers Trust in New York and from there, left to start the international banking department at Citizens & Southern National Bank. From banking he moved to IBM where he rapidly advanced to hold a variety of executive positions that included leading the world-wide business relationship with major providers of telecommunication hardware, infrastructure and services, managing the global business relationships with telecommunications provider and overseeing the global needs of over 1,000 IBM independent software vendors (ISV's), dealers and business partners.

Because of his strong understanding and experience with all the complexities of Data Center operations and administration, he was selected as the executive to start-up IBM's Global Services practice in Telecommunications and Utilities. In this capacity he started from zero employees and zero revenue to having a robust +$1 Billion business in 2 years with over 30 employees. He oversaw every aspect of his organizations growth and success. From developing the initial business plan, to targeting and hiring key staff members, developing a comprehensive marketing campaign for Data Center Outsourcing Services, Managed Hosting, and Systems Integration, to overseeing the sales process and contract negotiations. The initial major contracts that were finalized included a range of services to Fortune 100 telecom carriers like Ameritech, Pacific Tel, and GTE. Services included data center outsourcing, complex systems integration, call center operations, application development and maintenance. From IBM, he moved to Computer Sciences Corporation (CSC) where he continued to build on his record of achievement in providing financially beneficial data center services solutions to Telecommunications and Utilities companies.

After the events of 9-11, he was contacted by the State of New York office of Public Safety to work with them to develop a comprehensive strategy to provide high security, hardened data center facilities as backup recovery/business continuity operations for the New York Financial Services industry. In close cooperation with the Empire State Development Corporation, Verizon, ConEd and Johnson Controls, he led the effort to repurpose several decommissioned military bases to meet stringent security and availability requirements of Wall Street.

Subsequently, in conjunction with Global Crossing and a State Economic Development office, he developed a rigorous financial model to attract Tier 1 services companies to build information technology centers in economically depressed areas. This included identification and construction of a key criteria investment matrix for assessing location suitability as information technology center. He built the business case for retrofitting closed manufacturing facilities to be "repurposed" as technology centers to provide co-location hosting services, managed services, and cloud-based services.

More recently his consulting activities include strategic and tactical planning, private and public funding and deployment for unique cooperatives in Rural America that will provide financially attractive cloud

based solutions for overall administration of several hospitals, clinics, physicians and telemedicine applications, which will include extensive data security and business continuity solutions.

Reginald Maisonneuve – *Telecom Planning and Operations Advisor*

Reginald Maisonneuve is a Telecommunications/IT(OSS/BSS) and eBusiness professional with extensive domestic and international operations and service delivery experience spanning strategic planning, marketing and business development, operations, and infrastructure in complex, multi-market environments in developed as well as developing countries. His expertise spans key functional disciplines in telecom: strategic planning, marketing/product management, operations (network & IT), and engineering. This experience – coupled to his expertise in change management – has provided him with a solid foundation and clear view of how to transform and optimize telecommunications business operations. He has extensive experience identifying and releasing untapped value in organizations and overcoming internal obstacles to progressive change. He has had held leadership positions in both industry and in consulting roles.

Mr. Maisonneuve began his telecommunications career at the age of 17 with the U.S. Army Signal Corps. as a Microwave Communications Technician responsible for setting up, operating, and repairing line-of-sight, tropospheric scatter and supporting systems in remote environments; after leaving service, he went on to study engineering and then began his career as a telecommunications engineer designing, building and managing diverse telecommunications networks in the U.S. and Caribbean in support of carrier and mission-critical enterprise operations. After completing his MBA, he returned to industry, working with AT&T, GTE, Verizon and CANTV (Compañía Anónima Nacional Teléfonos de Venezuela) where he fulfilled key responsibilities in strategic planning, product management, operations, and technology to improve business operations. Mr. Maisonneuve's work in industry included the development and operational integration of advanced customer care, service and network management platforms (OSS/BSS) for the carrier market; the design and improvement of business processes, as well as the development and management of program management offices to improve the execution and results obtained of diverse strategic and tactical initiatives.

In his consulting roles, Mr. Maisonneuve applied his industry expertise to developing strategies and solving diverse operational problems faced by clients in operations, product management, and system deployments. Mr. Maisonneuve has also applied his expertise to developing market-led, profit driven solutions in key telecom practice areas for telecom clients, principally: product portfolio management, operations-technology integration, business process optimization, and Marketing Return on Assets. Central to all of these is effective change management to manage risk, ensure knowledge transfer, capture benefits implement effective management controls and a culture of continuous improvement.

He holds advanced degrees in telecommunications engineering and business management, is multicultural and is experienced internationally having lived, studied, and worked abroad.

Consulting:

- Leadership of new product development, trial, and launch project for US Regional Bell Operating Company (RBOC) to overcome stalled market trials and internal obstacles to implementation.
- Development of operational strategy and financial assessment of next-generation products for US RBOC.
- Established enterprise business process management capability for a rapidly growing int'l wireless/4G carrier.
- Redesigned operations for major legal services firm to overcome operational performance problems threatening growth and profitability.
- Developed practice strategy, intellectual capital and new services to leverage and extend bottom line benefits to telecommunications and business processing outsource (BPO) sectors targeting 20 – 30% gains in productivity.
- Development and execution of User Acceptance Test strategy for an enterprise-wide, DSL provisioning and fulfillment application for southeastern U.S. market involving over 800 developers from multiple vendors and dozens of dependent legacy and new systems.
- Development and implementation of an IT Program Management Office for a major food distributor to improve management oversight and performance of IT project portfolio.
- Assessment and recommendations for an IT Program Management Office for a major packaging firm to improve value-add and relevance to the enterprise.
- Development of a strategic business process management office to improve management oversight and performance of business processes and ensure their integration with major system deployments (BSS - Amdocs) for a major US broadband cellular provider.
- Financial and operational evaluation of $300M outsourcing contract for a major IT systems provider to improve operational, service and financial performance.
- Engaged by a Tier-2 regional Telco to prepare internal operations (organization, OSS/BSS, and business processes) for take-back ("in-source") of $200M outsourced retail and wholesale order management operations from an external vendor.
- Guiding IT/Management Consultancy in the development of their Business Transformation & Integration Practice.
- Development and realization of strategy, business model, operations of a mass market web service, support operations and web application for a pre-launch internet startup.
- Engaged to lead the formulation and implementation of an integrated service strategy for a major IT services company to improve integration with client operations, gain operating efficiencies and expand service capabilities.
- Development of the integrated service strategy and leadership of 23 IT Modernization projects in support operational improvements for a major IT service provider.

- Engaged to lead market survey of small and mid-size businesses to evaluate the effectiveness of telecom services portfolio and sales & marketing operations of Tier-1, 2, & 3 telcos and cable companies.

Operations:

- Creation and leadership of Program Mgt Office & Business Process Teams to improve management oversight and project success.
- Implementation of key regulatory mandates, OSS/Legacy System Initiatives, Service Introductions, and Customer Care Initiatives.
- Upon request of Verizon Sr. Management, developed recommendation for redesign of an affiliate company to address failings in market focus, accountability, and execution.
- Led development of strategy and tactics to maximize value of GTE's $1B Rural Market.
- Led sales and marketing efforts to improve large client revenue stream, improve sales practices and supporting operations:
- Identification and pursuit of un-served and underserved markets through improved segmentation practices and collaboration with sales teams.
- Product portfolio analysis and rationalization to strengthen product portfolio, product management and sales performance.
- Identification and elimination of unprofitable product variations to strengthen core product profitability, improve sales practices, and refocus development community on profitable products.
- Improvement of sales operations through improved sales – operations processes and management oversight.
- Identification and incorporation of under-utilized assets to increase revenue opportunities, win operational efficiencies, and strengthen return on invested capital (ROIC).
- Assessment and improvement of customer care processes to eliminate revenue leakage
- Eliminated undisciplined sales discount practices with $7M impact to annual revenues.
- Rationalized Voice & Data product portfolio to improve profitability, sales integration, and increase revenues.
- Rationalized price structures for data products and eliminated hundreds of idle product tariffs that confused sales and customers and burdened operations.
- Sales initiative prevented competitive loss of multinational client totaling $3M in annual revenues.

- 10 years as a telecommunications/IT Engineer and manager serving telecom, enterprise, and industry sectors in N. America and the Caribbean.
- Network design, construction and management of diverse telecom and IT technologies as well as development and management of support staff to achieve significant improvement in service types and levels.
- Led service and network design, evolution, and modernization initiatives as well as service restoration efforts following natural disaster.
- Director – Product Management & Business Solutions for startup providing advanced IP & ATM internetworking and OSS h/w and s/w solutions to the telecom industry.
- Market segmentation analysis to improve market penetration and profitability

Experience of Other Team Members

We have also lined up several other individual team members consultants and consulting firms for the provision of the necessary combination of financial modeling expertise in deployment of fiber, wireless sector communications networks and project finance and other relevant services as the same may appear necessary following the release by the USTDA of more detailed information about the assignment. We will provide more information about the relevant team members with our formal proposal if we are shortlisted. The relevant experience of these other team members includes the following:

- assessing the interplay of regulation, demand, competition, technology and other factors and helping clients make sound judgments on whether and, if so, how to proceed with new investments in fiber optic networks and other telecom infrastructure,
- performing financial modeling, costing analyses, feasibility studies and developing technical and business cases for an array of business initiatives in the ICT sector and other ICT investments,
- directing survey research and developing demand assessments and forecasts of ICT services adoption based on economic, demographic, regulatory, industry, technology and other variables
- technical expertise in the use of High Performance Computing, Cloud Computing and Grid Computing in support of advanced visualization for geoseismic modeling and the financial services sectors

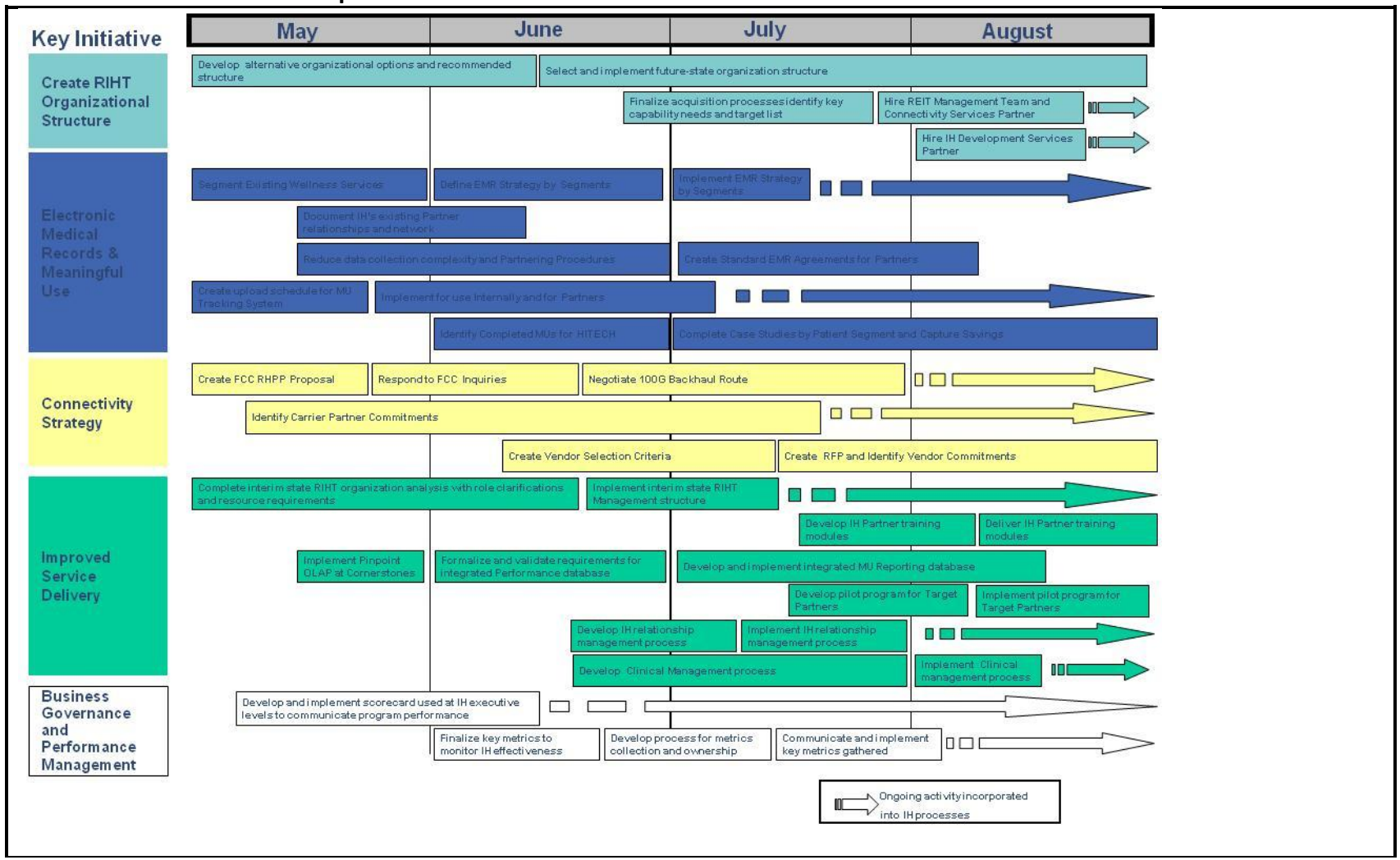
Each of the above profiled advisors has more than 15 years of ICT sector experience (and most have 25 or 30 years' telecom experience). Collectively, they offer more than 75 person years of directly relevant experience.

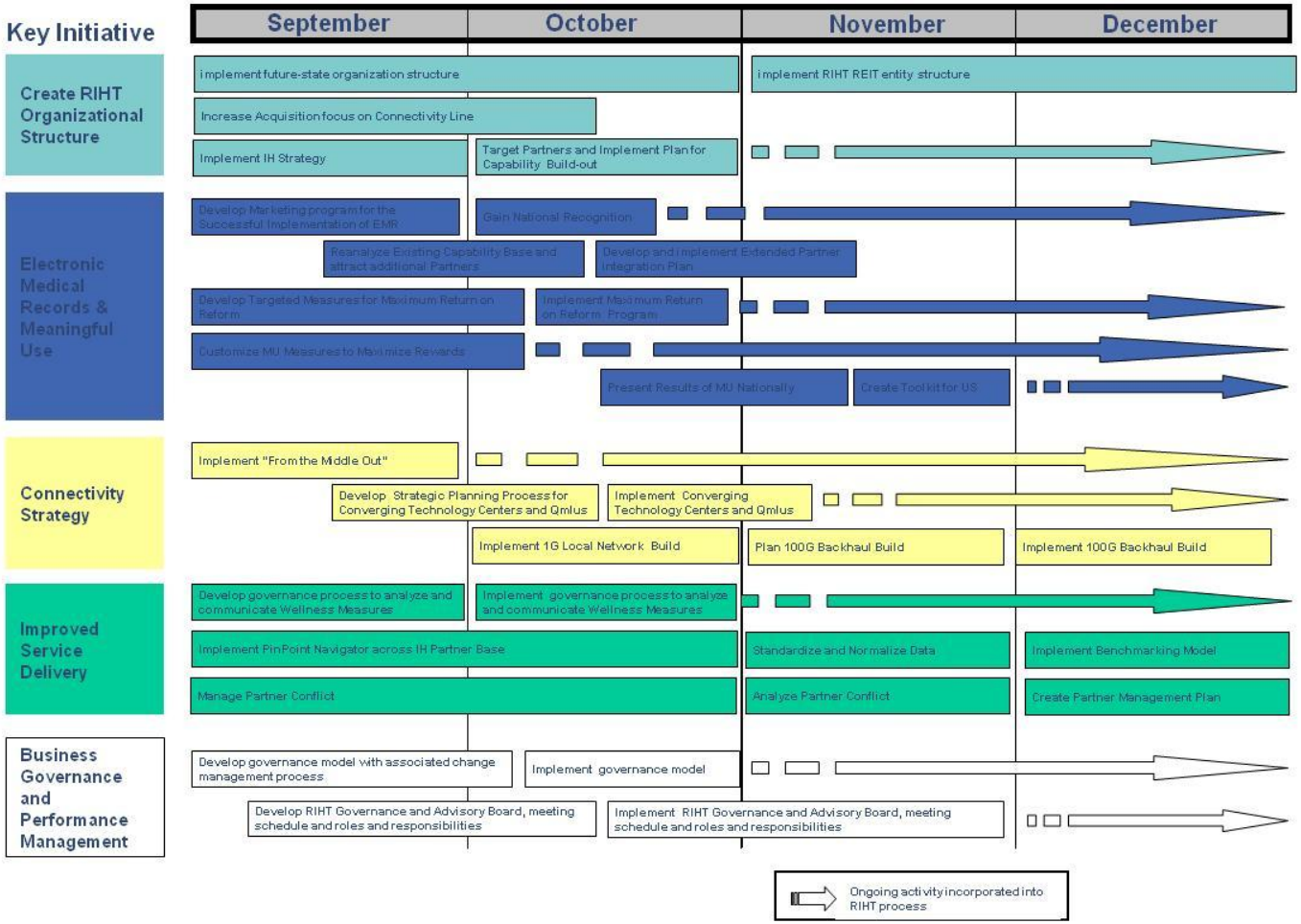
STAFFING SCHEDULE																							
Name		**Staff Input (Months from Contract Signature)**																		**Total Staff Month Input**		
		1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**Home**	**Field**	**Total**
Onsite																						
John Ellingson	Home	▨	▨	▨		▨	▨	▨	▨	▨	▨									8		15
	Field	▨			▨					▨		▨	▨	▨	▨	▨	▨	▨	▨		7	
Joseph Quattlebaum	Home	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨									9		15
	Field	▨								▨		▨	▨	▨	▨	▨	▨	▨	▨		6	
Reginald Maisonneuve	Home	▨	▨	▨		▨	▨	▨	▨	▨	▨									8		15
	Field	▨			▨					▨		▨	▨	▨	▨	▨	▨	▨	▨		7	
Legal Associate	Home	▨					▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	12		12
	Field																				0.0	
Local																						
Admin. Associate	Home																			0.0		15
	Field		▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨		15	
Subtotal																				37	35	
Total:																						**72**

Legend

Full-time	
Part-time	▨

Work Schedule – Start-Up with PFHCS Tactical Team




Key Initiative
September
October
November
December
Create RIHT Organizational Structure
Electronic Medical Records & Meaningful Use
Connectivity Strategy
Improved Service Delivery
Business Governance and Performance Management
implement future-state organization structure
implement RIHT REIT entity structure
Increase Acquisition focus on Connectivity Line
Implement IH Strategy
Target Partners and Implement Plan for Capability Build-out
Develop Marketing program for the Successful Implementation of EMR
Gain National Recognition
Reanalyze Existing Capability Base and attract additional Partners
Develop and Implement Extended Partner Integration Plan
Develop Targeted Measures for Maximum Return on Reform
Implement Maximum Return on Reform Program
Customize MU Measures to Maximize Rewards
Present Results of MU Nationally
Create Toolkit for US
Implement "From the Middle Out"
Develop Strategic Planning Process for Converging Technology Centers and Qmlus
Implement Converging Technology Centers and Qmlus
Implement 1G Local Network Build
Plan 100G Backhaul Build
Implement 100G Backhaul Build
Develop governance process to analyze and communicate Wellness Measures
Implement governance process to analyze and communicate Wellness Measures
Implement PinPoint Navigator across IH Partner Base
Standardize and Normalize Data
Implement Benchmarking Model
Manage Partner Conflict
Analyze Partner Conflict
Create Partner Management Plan
Develop governance model with associated change management process
Implement governance model
Develop RIHT Governance and Advisory Board, meeting schedule and roles and responsibilities
Implement RIHT Governance and Advisory Board, meeting schedule and roles and responsibilities
Ongoing activity incorporated into RIHT process

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Review Notes:

[i] 47 U.S.C. § 254(h)(2)(A); Rural Health Care Support Mechanism, WC Docket No. 02-60, Order, 21 FCC Rcd 11111, para. 1 (2006) (2006 Pilot Program Order).

[ii] 2007 Pilot Program Selection Order, 22 FCC Rcd at 20361, para. 2.

[iii] American Medical Association data, information from the 2010 US Census, the Association of American Medical Colleges, state healthcare organizations the Henry J. Kaiser Family Foundation, the Organisation for Economic Co-operation and Development (OECD), and the Health Resources and Services Administration

[iv]Ellingson, John - Reaching Rural Health Equity – The Importance of Connectivity to the Possibility of Healthcare Reform in Rural America, April 2011

[v] Estimates provided are based on our designated route providing the largest coverage area using new and available existing fiber

[vi] Estimates are based on converting Windstream's Moultrie facility to be purpose-built for CTC operations

[vii] Estimates are based on license and implementation fees for EHR, Practice Management and Analytics Software for all members of The Rural Trust